

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF TOM) APPEAL NO. 07-A-2500
DEAMER from the decision of the Board of) FINAL DECISION
Equalization of Valley County for tax year 2007.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing February 5, 2008, in Cascade, before Hearing Officer Travis VanLith. Board Members Lyle R. Cobbs, David E. Kinghorn, and Linda S. Pike participated in this decision. Appellant Tom Deamer appeared for himself. Appraiser June Fullmer, Chief Deputy Assessor Deedee Gossi, and Assessor Karen Campbell appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RP16N03E277266A.

The issue on appeal is the market value of a residential property.

The decision of the Valley County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$217,300, and the improvement's valuation is \$12,990, totaling \$230,290. Appellant requests the improvements' value remain unchanged and the land value be reduced to \$125,000, for a total reduced valuation of \$137,990.

Subject is a two acre lot located on the east side of Cascade Lake, near Donnelly. Subject does not front the lake, nor does it have direct lake access. The improvements consist of a mobile home and an unattached snow roof.

Appellant began by noting subject was a land-locked parcel. Subject is accessed by crossing the adjacent parcel owned by a relative of Appellant.

Appellant provided a number of bare land listings, as well as three (3) lot sales that

occurred during 2006. The properties were roughly two acres in size and were argued to be similar to subject. The sales occurred during 2006 with prices between \$118,000 and \$150,000. The exact location of the sale properties was unclear, but they were located near Donnelly.

Respondent first noted the value placed on subject's improvements had remained frozen for the past two (2) years. It was also explained subject's land assessment included a standard \$8,000 value for water, sewer, and septic systems.

Next, Respondent presented four (4) bare lot sales in subject's area. Three of the sales occurred in 2005 and the remaining sale took place in April 2006. The lots were between .217 and .9 acres and sold between \$85,000 and \$150,000. Not much detail concerning the physical characteristics or other similarities of the lots compared to subject was discussed.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

For the purposes of taxation, Idaho adheres to a market value approach to assess property, as defined in Idaho Code § 63-201(10);

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

The Idaho Supreme Court has recognized three approaches to market value; the cost approach, the income approach, and the market data approach. See *Merris v. Ada County*, 100

Idaho 59, 63, 593 P.2d 394, 398 (1979).

In this case, both parties utilized the market data approach in which recent, proximate sales of like property are examined to arrive at the probable market value of a particular property.

Appellant presented three (3) lot sales occurring during 2006. The sales involved parcels roughly two acres in size. Their proximity to subject was not apparent in the record, but the sales information indicated the lots were located near Donnelly. This was not questioned or otherwise disputed by Respondent. The parcels sold between \$118,000 and \$150,000. Subject was assessed at \$217,300.

Respondent submitted four (4) bare land sales. The lots ranged between .217 and .9 acres and sold between \$85,000 and \$150,000. Three (3) of the sales were in subject's immediate area, however, occurred during 2005. Sale 4 was located in a nearby subdivision and transpired in April 2006.

Both parties presented bare lot sales, so the Board is left to determine which sale properties most reasonably represent subject's market value. While Respondent chose sales in subject's immediate area (three from subject's subdivision), the parcels were noticeably smaller than subject and only one occurred during 2006. No details concerning their physical similarity to subject were discussed, nor does it appear the properties suffered from restricted or limited access; as is the case with subject. Further, no adjustments were made for physical differences compared to subject or the time between the 2005 sale dates and the statutory lien date of January 1, 2007 (i.e. a time-adjustment).

Appellant, on the other hand, provided three (3) lot sales that occurred during 2006. The lots were roughly two acres in size; similar to subject. Like Respondent's sales, details about

their physical characteristics were not discussed, nor was their proximity to subject clear in the record.

Obvious questions exist regarding the comparability of both parties' sales. While the location of Appellant's sale properties was unclear, they were more timely than the sales reported by Respondent. Neither party discussed differences between their respective sale properties compared to subject, so it is presumed the parcels are physically similar to subject (except for lot sizes, which were disclosed). Most troubling is the significant size difference between Respondent's sale properties and subject. One sale is less than one-half the size of subject, and the remaining three are nearly one-tenth subject's size. The discrepancy is too great to consider these properties a reliable indication of subject's proper market value.

Given the information provided, it is difficult to accept Respondent's position that subject's value is \$217,300. It is equally difficult to adopt Appellant's stance that subject's value should be nearly \$25,000 less than the 2006 assessment. Appellant's sales seem to be more reliable, but there are questions concerning their proximity and physical similarity to subject. Appellant has satisfied the Board that subject is over-valued, however, has not persuaded us to fully accept his value position. We believe subject's value falls somewhere between the parties' respective value claims so will adopt a land value of \$154,080. The decision of the Valley County Board of Equalization is modified accordingly.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is modified, to reflect a land value of \$154,080.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those

determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

DATED APRIL 3, 2008